

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

Call to Order: By **CHAIRMAN BILL GLASER**, on January 24, 2001 at 3:00 P.M., in Room 403 Capitol.

ROLL CALL

Members Present:

Sen. Bill Glaser, Chairman (R)
Sen. Jack Wells, Vice Chairman (R)
Sen. John C. Bohlinger (R)
Sen. Edward Butcher (R)
Sen. John Cobb (R)
Sen. Jon Ellingson (D)
Sen. Jim Elliott (D)
Sen. Alvin Ellis Jr. (R)
Sen. Sam Kitzenberg (R)
Sen. Don Ryan (D)
Sen. Debbie Shea (D)
Sen. Mike Sprague (R)

Members Excused: Sen. Dale Berry (R)
Sen. Mignon Waterman (D)

Members Absent: None.

Staff Present: Linda Ashworth, Committee Secretary
Eddy McClure, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB94, 1/11/2001; SB 79,
1/11/2001; SB 117, 1/18/2001;
SB 188, 1/18/2001

Executive Action: SB 130

HEARING ON SB 94

Sponsor: SEN. DEBBIE SHEA, SD 18, Butte

Proponents: **Bob Runkel, Director of Special Education, Office of Public Instruction**
 J.D. Lynch, Butte School District #1, Butte
 Erik Burke, Montana Education Association/Montana Federation of Teachers
 Pat Boyer, Director of Special Services, Bozeman School District
 Wayne Buchanan, Board of Public Education
 Bob Vogel, Montana School Boards Association
 Linda Brannon, Montana Association of School Business Officials
 Dave Puyear, Montana Rural Education Association
 Dave Parker, Director of Special Education, Kalispell

Opponents: None

Opening Statement by Sponsor:

SEN. DEBBIE SHEA opened on SB 94. She presented the bill as an act that would amend the definition of base aid to include forty percent of the special education allowable cost payment. It would also amend the definition of base budget to include 140 percent of the special educational allowable cost payment and amend the definition of maximum general fund budget to increase the special education allowable cost payment component from 153 percent to 200 percent.

SEN. SHEA stated that it is our obligation to fund special needs students and has proven to be money well spent. However school districts across the state have found their general fund budgets being depleted in order to fund the needs of these special students. She affirmed this bill would allow school districts a vehicle with which to raise money to satisfy the needs of all children.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 5}

Proponents' Testimony:

Bob Runkel, Director of Special Education of the Office of Public Instruction testified in support of SB 94. **Mr. Runkel** submitted written testimony, **EXHIBIT(eds19a01)**. **Mr. Runkel**, also presented information regarding local district expenditures for special education compared to state appropriation, **EXHIBIT(eds19a02)**. **Mr. Runkel** referred to a letter from the Special Education Advisory Panel and asked that it be entered in the record, **EXHIBIT(eds19a03)**.

Mr. J.D. Lynch, School District #1, Butte, rose in support of SB 94. **Mr. Lynch** presented testimony demonstrating the reason this bill would be important to Butte, assuring the committee that if the bill passed it would be a windfall to the budgets of many communities. He professed his hope that this bill would meet with the approval of the committee.

Erik Burke, Montana Education Association/Montana Federation of Teachers, stood in support of SB 94. He maintained it is a community bill that gives authority back to the communities, allowing them to take a look at their special education costs in order to raise the money locally to meet those costs.

Pat Boyer, Director of Special Services of the Bozeman Schools, supported SB 94. **Director Boyer** punctuated his testimony with three charts illustrating his point, **EXHIBIT(eds19a04)**. **Director Boyer** pointed out the rising costs of special education over the last fifteen years. **Director Boyer** also voiced his concerns that special education is now in competition with regular education when vying for monies from the general fund. He warned that there is a growing resentment in this state as well as the country regarding special education. He stated that this bill would allow relief to general education in districts across the state.

Wayne Buchanan, Board of Public Education, rose in support of SB 94.

Bob Vogel, Montana School Boards Association, supported SB 94. **Mr. Vogel** assured the committee that this predicament is common across the state. Many districts are forced into supporting special education through the general fund budgets. **Mr. Vogel** added that this would give school boards the option of going to their local taxpayers to support additional special education costs.

Linda Brannon, Montana Association of Business Officials, commented that she had received many e-mails from officials around the state asking support for SB 94.

Dave Puyear, Montana Rural Education Association, confirmed previous testimony in support of SB 94.

Dave Parker, Special Education Director from Kalispell, stated endorsement for SB 94. He maintained that giving schools this budget authority would be a great asset to the Flathead County schools.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

SEN. JIM ELLIOT made a request for a breakdown of the costs for each school district. **Madalyn Quinlan** responded that she could give the estimate of additional budget authority that would affect each district. **SEN. ELLIOT** requested that the committee receive this information before taking executive action on the bill.

SEN. ALVIN ELLIS asked for clarification on whether this would be a voted levy that a school district would impose on itself. **Ms. Quinlan** affirmed this, stating that the voters would need to approve any increases in property taxes that accompany the increase in spending that the school would propose. **SEN. ELLIS** hypothesized that this would change the base funding level as well as the 100% funding level. **Ms. Quinlan** held that it would not change the base, only the maximum general fund budget.

SEN. ELLIS questioned whether the budget authority would be moved to the school district. **Ms. Quinlan** explained the entitlement funding and how it would be affected by the passage of this bill. **SEN. ELLIS** questioned whether the 100% level would be moved up but not the 80% level. **Ms. Quinlan** stated that the base budget would not be redefined, only the maximum budget.

SEN. ELLIS continued to question **Ms. Quinlan** in regards to the budget. **Ms. Quinlan** explained that the school funding system recognizes that there are educationally relevant reasons for differences in spending disparities between pupils. The most prominent one is school districts of different sizes. It would cost more to educate a pupil in a small school as compared to a large school. The same thing is true with special education. In order to provide services to special needs students we are looking at having a 25% disparity between pupils. The law requires that those services be provided and school districts need the ability to budget to provide those services.

SEN. ELLIS wondered if this would be a justifiable reason for having a higher maximum budget because some schools spend more on special education. **Ms. Quinlan** felt that this would be an appropriate reason for differences in per pupil spending.

SEN. DON RYAN asked **Ms. Quinlan** to explain the obligation a school district would be under in regards to maintenance of effort and the consequence if a school district does not meet this obligation. **Ms. Quinlan** asked that the question be

redirected to **Steve Johnson, District Clerk of the Bozeman Schools**. **Mr. Johnson** referred to **Mr. Boyer's** handout in clarifying his statement. In order to continue to receive federal dollars the local effort can not decrease. The federal government has provided some relief to school districts in the past few years. It was **Mr. Johnson's** understanding that if school districts don't maintain effort then they would be in jeopardy of losing all of the federal funds.

{Tape : 1; Side : A; Approx. Time Counter : 5 - 32}

SEN. ELLINGSON asked the sponsor to explain why she felt the voters would approve this budget authority. **SEN. SHEA** stated that once the public is educated, then the public becomes very responsive to the needs of the community. **SEN. SHEA** requested the question be directed to **J.D. Lynch**. **Mr. Lynch** opined that this would be another tool to empower the people during a trying time. The impact that Butte would feel because of declining enrollment and school closures would be lessened by \$300,000.00 in the school district, if the voters approve.

SEN. MIGNON WATERMAN asked for clarification as to whether special education costs tend to be higher in larger districts. **Madalyn Quinlan** stated that special education expenditures are higher in larger schools because parents often move their children to the larger communities so the students with disabilities and special needs can receive services from the entire community.

SEN. ED BUTCHER referred to **Mr. Boyer's** charts and questioned what happened in 1990. **Mr. Boyer** stated that the children the schools are dealing with have become much more difficult during the past ten years. The care and programs have increased. State agencies have also been placing children in larger communities.

SEN. BUTCHER followed up by inquiring if the problem is due to federal mandates. **Mr. Boyer** stated that there is the major federal mandate along with a state mandate to provide services. **SEN. BUTCHER** suggested that **Mr. Boyer** should be appearing before the United States Senate Education Committee demanding that they pick up their fair share. **Mr. Boyer** responded that he has appeared before the national committee and was told that the state needs to pick up their fair share.

SEN. BUTCHER hypothesized that the problem may lie with the United States Department of Education. **Mr. Boyer** believed that that was not the case.

SEN. BUTCHER wondered if the special needs children should be screened to determine which ones are being helped and which are being babysat. **Mr. Boyer** asserted that a difference has been made in every child's life that has been through the program. Severely disabled children have a better quality of life and have made a profound impact on regular students.

{Tape : 1; Side : B; Approx. Time Counter : 0 - 13}

Closing by Sponsor:

SEN. SHEA closed on SB 94. She stated education impacts all of us in our daily lives and is a critical component in attracting new businesses and ventures to the state. She reiterated that large districts have many special needs students due largely to group homes and placements made to the public schools. The regular education enrollments are dropping in many districts concluding with a loss in ANB. The special education needs are still in place along with the obligation of funding.

SEN. SHEA reiterated the reasoning behind the bill arguing that the passage of SB 94 would give the authority to local voters to make the right decision.

{Tape : 1; Side : B; Approx. Time Counter : 13 - 15}

HEARING ON SB 79

Sponsor: **SEN. DAN HARRINGTON, SD 19, Butte**

Proponents: **Mickey Boysza, Amalgamated Transit Union #381, Butte**
Carol Biggers, Self, Butte
Terry Minow, Montana Education Association/Montana Federation of Teachers
Jerry Driscoll, Montana State Building
Construction Trades Council, Billings
REP. CAROL JUNEAU, HD 65, Browning
Marnie Melvax, Self, Butte
Bob Jarvis, Self, Browning
Don Judge, AFL/CIO
REP. NORMA BIXBY, HD 5, Lame Deer
David Knauf, Self, Browning
Mark Brant, Teamsters Union, Great Falls
SEN. JIM ELLIOT, SD 36, Trout Creek
SEN. DON RYAN, SD 22, Great Falls
SEN. DEBBIE SHEA, SD 18, Butte

Opponents: **Howard Bailey, Montana Schools Unemployment Insurance Program**
 Bob Vogel, Montana School Boards Association
 Linda Brannon, Montana Association of School Business Officials
 Dave Puyear, Montana Rural Education Association
 Riley Johnson, National Federation of Independent Businesses

Opening Statement by Sponsor:

SEN. HARRINGTON opened on SB 79. He informed the committee that the bill would require payment of wages and benefits to non-certified school employees during emergency school closures and would allow payment of unemployment insurance benefits to non-certified school employees between academic terms.

{Tape : 1; Side : B; Approx. Time Counter : 15 - 20}

Proponents' Testimony:

Mickey Boysza, Amalgamated Transit Union #381, stated her support for SB 79. She provided written testimony, **EXHIBIT(eds19a05)**.

Carol Biggers, representing herself as an employee of the Butte School District, spoke in support of SB 79. She offered written testimony, **EXHIBIT(eds19a06)**.

Terry Minow, Montana education Association/Montana Federation of Teachers affirmed support for SB 79. **Ms. Minow** reported that classified workers are: teachers' aides, janitors, food service workers, library aides, secretaries, special needs aides and bus drivers. **Ms. Minow** explained that under current law these employees are not eligible for unemployment benefits simply because they work for a school. She pointed out that other seasonal workers are eligible for unemployment when out of work. SB 79 would alleviate the discrimination that currently exists.

Jerry Driscoll, Montana State Building Construction Trades Council, presented support for SB 79. Mr. Driscoll drew a comparison between seasonal workers and uncertified school personnel maintaining that there is no difference between the two.

REP. CAROL JUNEAU, HD 65, Browning, endorsed SB 79. **REP. JUNEAU** entered 59 letters of support into her testimony,

EXHIBIT(eds19a07). **REP. JUNEAU** purported this is a fairness and discrimination issue.

{Tape : 1; Side : B; Approx. Time Counter : 20 - 32}

Marnie Melvax, representing herself, verbalized support for SB 79. **Ms. Melvax** related her experiences as a school district employee working with special needs students.

Bob Jarvis, representing himself, rose in support of SB 79. **Mr. Jarvis** stated that although he is a member of the Browning School Board he was before the committee testifying on his own behalf. He claimed that the bill would be a benefit for his county and the children of the county.

Don Judge, AFL/CIO, offered written testimony, **EXHIBIT(eds19a08)**. **Mr. Judge** also offered letters from the employees of the Cut Bank School District in support of the legislation, **EXHIBIT(eds19a09)**.

REP. NORMA BIXBY, HD 5, Lame Deer, stated that her constituents are concerned with the lack of employment during the summer months. She continued that the families draw on limited reservation resources. Many of the salaries go to single salary families, leaving the family without a source of income during the summer months.

David Knauful, representing himself, related personal experience which punctuated his support of SB 79. **Mr. Knauful** stated that dedicated personnel are leaving the school to take jobs that provide employment for twelve months.

Mark Brant, Teamsters Union, Great Falls, vouched for the validity of SB 79. He repeated that small communities have few summer jobs available so the uncertified staff members are without income throughout the summer months thus causing a huge burden on families.

SEN. JIM ELLLIOT, SD 36, offered support for SB 79 indicating that the problem also exists in the non-rural, non-reservation areas of Montana. He elaborated that he has received many letters on the subject and supports SB 79.

SEN. DON RYAN, SD 22, explained that this has always been an issue in regards to classified personnel. He reminded the committee that teachers and administrators always have someone to negotiate for them. The remainder of the pie goes to the classified personnel. He asked the committee to consider that these employees honor their contracts, show up the first day and are there until the last day. Most of the people involved are

women who look for work in the summer, putting them in direct competition with the young people that come home from college.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 25}

Opponents' Testimony:

Howard Bailey, Montana Schools Unemployment Insurance Program, articulated his opposition to SB 79. Mr. Bailey submitted written testimony, **EXHIBIT(eds19a10)**.

Bob Vogel, Montana School Boards Association, cited the fiscal note on SB 79, stating concerns about serious impacts for school districts across Montana. **Mr. Vogel** felt that this would cause higher tax rates in future years.

{Tape : 2; Side : A; Approx. Time Counter : 25 - 32}

Linda Brannon, Montana School Association of School Business Officials, reluctantly opposed SB 79. Her organization is concerned how the bill would impact county levies. She reminded the committee that unemployment premiums are paid out of county levies and those levies would rise.

Dave Puyear, Montana Rural Education Association, contended that the fiscal impact would be a great concern. He strongly validated the predicament of the employees but clearly felt the fiscal impact would be overwhelming to rural communities.

Riley Johnson, National Federation of Independent Businesses, maintained opposition to SB 79. Mr. Johnson contended that this is not really a school bill but an unemployment bill. **Mr. Johnson** referred to page three of the fiscal note charging that costs rise when claims increase. **Mr. Riley** suggested that the costs will rise and this would be a dangerous issue to walk into when the schools are in trouble. He indicated his concern that the fiscal note is faulty and should be changed before any action is taken on this legislation.

{Tape : 2; Side : B; Approx. Time Counter : 0 - 10}

Informational Testimony: None

Questions from Committee Members and Responses:

SEN. DEBBIE SHEA asked that she be listed as a proponent to SB 79 as she was at another hearing during testimony.

SEN. SHEA requested that **Howard Bailey** clarify the amount of money generated monthly by insurance payments paid by the 172 member schools. **Mr. Bailey** replied that they use the rates calculated by the state unemployment division and charge the school districts that amount. **SEN. SHEA** asked for further clarification on who are actually insured and how much money is paid out in benefits. **Mr. Bailey** indicated that the claims go to the Unemployment Insurance Division. His organization collects contributions from 172 schools and puts the money in a fund that draws interest and then reimburses the state of Montana.

SEN. SHEA requested that **Mr. Bailey** give the committee examples of people that are receiving benefits prior to executive action on the bill. **Mr. Bailey** again stated that there are non-certified employees that draw benefits and that he could only speak for 172 schools.

SEN. RYAN asked **Bob Vogel** if he thought classified personnel would support increase in taxes, that would increase funding to schools, when not paying unemployment benefits to those classified staff. **Mr. Vogel** replied that he believes people would support whatever items of the budget that need support.

SEN. MIKE SPRAGUE questioned **Howard Bailey** in regards to the contributors of this fund. He wondered how many school districts are not being serviced by **Montana Schools Unemployment Insurance Program**. **Mr. Bailey** responded that he is unaware of the number of active school districts in the state. **SEN. SPRAGUE** questioned whether those districts have chosen to opt out of this program. **Mr. Bailey** stated that under law they are allowed to opt to be a reimbursable employer. **Mr. Bailey** explained the history of the program. Much of the money paid out by schools went to other government entities. **The Montana schools Unemployment Insurance Program** was better able to reimburse for claims and does a better job for its member schools.

SEN. SPRAGUE assumed that local school districts and school boards have been given an opportunity to get involved and to cover this inequity but have locally opted out. **SEN. SPRAGUE** questioned whether employers could opt out stating that regular employees can not opt out of the unemployment option. **Mr. Bailey** explained that they opt out of the taxing method. **SEN. SPRAGUE** stated that complaints should be addressed to the local school boards that are allowed to opt out. **Mr. Bailey** agreed but stated that this would not address the issue of non-certified employees because it is not the program that is restricting the coverage of benefits for non-certified but the way the law is written. **Mr. Bailey** mentioned that if a school district chose to go back and

be a taxed employer, rather than be a reimbursable employer, then the district would pay this tax directly to the fund and that would be the end of their obligation. This increase would be passed on to the private, government and state employees. This would not reduce the cost because someone would have to cover the fees.

SEN JIM ELLIOT questioned several statements made by **Mr. Bailey** and asked for documentation to back up some of his claims. **Mr. Bailey** stated that some of this was his opinion and he was before the committee representing school districts, not speaking against or in favor of any occupation.

SEN. ELLIOT pursued the fact that **Mr. Bailey** voiced opinions during his testimony and again stated that he would like documentation that would support those opinions. Again, **Mr. Bailey** stated that his opinions were based on discussions with school organizations.

SEN. ELLIOT asked if **Montana Schools Unemployment Insurance Program** is a non-profit organization. **Mr. Bailey** stated that he is with **Montana School Services Foundation** which is a non-profit organization.

{Tape : 2; Side : B; Approx. Time Counter : 10 - 30}

Closing by Sponsor:

SEN. HARRINGTON closed on SB 79. He stated that he worked on this for many years and refuted Mr. Bailey's testimony. He clarified much of what **Mr. Bailey** stated. **SEN. HARRINGTON** reiterated that this is an issue of fairness and discrimination.

{Tape : 3; Side : A; Approx. Time Counter : 0 - 15}

SEN. GLASER stated his intention to have the legislative staff look at some of the assumptions, in regards to the fiscal note, and advise on whether they are correct.

HEARING ON SB 117

Sponsor: **SEN. JON TESTER, SD 45, Big Sandy**

Proponents: **Bob Vogel, Montana School Boards Association**
Madalyn Quinlan, Office of Public Instruction

**Linda Brannon, Montana Association of School
Business Officials**

**Steve Johnson, District Clerk of the Bozeman
Schools**

**Dave Puyear, Montana Rural Education Association
Loran Frazier, School Administrators of Montana**

Opponents: None

Opening Statement by Sponsor:

SEN. JON TESTER, opened on SB 117. He stated that it is a simple bill which would return permissive levy authority to a school district's transportation fund, bus depreciation and adult education fund. These three district levies were permissive and non-voted levies, at one time, and have become voted levies. If a school district wanted to increase the levies for any one of these three funds they would have to go to the local voters to approve such an increase. If the voters were to turn down this request then the school district would be forced to supplement the budget with general fund dollars that are very stretched. He affirmed that the bill has built in controls on each of these funds and levies.

Proponents' Testimony:

Bob Vogel, Montana School Boards Association, rose in support of SB 117 declaring that this bill is one of **MSBA's** top priorities for this legislative session.

Madalyn Quinlan, Office of Public Instruction, vouched for SB 117 which removes voting requirements on three funds that are currently subject to voting purporting that all of these funds already have some sort of control over them as referred to in Section 3 of the bill. She proposed an amendment for the bill, **EXHIBIT(eds19a11)** that would correct the placement of limitation on the transportation fund. She offered a further amendment to SB 117, **EXHIBIT(eds19a12)**.

Linda Brannon, Montana Association of School Business Officials stood in support of SB 117 with the suggested amendment.

Steve Johnson, District Clerk for the Bozeman Schools, testified on behalf of SB 117.

Dave Puyear, Montana Rural Education Association, rose in strong support of the measure which would allow flexibility within a time of limited funding.

Loran Frazier, School Administrators of Montana supported SB 117 and the amendments.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

SEN. JON ELLINGSON asked **Madalyn Quinlan** to walk him through a simple explanation of the problem relating to SB 184 which limits the number of mills that can be imposed for these particular funds. **Ms. Quinlan** explained that the limitation is on how much a district can impose without voter approval. Increasing the revenue would require the district to ask for voter approval.

SEN. ELLINGSON wondered if this bill would allow the school districts to increase the mills without voter approval. **Ms. Quinlan** reemphasized that increasing mills would be on only these three funds. She stated that we need to let districts increase these funds as the costs for these funds increase. **SEN. ELLINGSON** wanted to know what is wrong with going to the voters. **Ms. Quinlan** stated that she believes it is important to have controls on these funds, to have revenue and budget limitations but as she pointed out in her testimony there are limitations imposed on each of these funds which ties the hands of school districts during times of crisis.

SEN. DON RYAN stated that a school district is required by state law to transport students that live within a certain range. If, because of rising costs, the school district needs an increase in funds they have to go to the voters to get those funds. If the voters don't approve the increase, that money must come out of the general fund because of the mandate by law to provide the service. **Ms. Quinlan** replied that the districts could reach to the general fund for some of the cost or could cut back on the bus routes.

SEN. RYAN asked where the cuts would be made if the districts are running as efficiently as possible. **Ms. Quinlan** asked that the question be redirected to **Joan Anderson, School Budgeting and Accounting Division of the Office of Public Instruction**. **Ms. Anderson** responded that the routes could be shortened. The school trustees determine the routes which are then approved by the County Transportation Committee. The parents would then have to bring their students closer to the school. The districts would use the existing funding, provide less services and get by without an increase in taxes.

SEN. RYAN inquired into the value of the mill and wondered as the mill increases, generating more revenue, if the school district would have to get voter approval for the additional revenue in that budget. **Ms. Anderson** asked that the question be redirected to **Madalyn Quinlan**. **Ms. Quinlan** answered that the answer is yes but it depends on the reason for the increase of the value of the mill. She contended there may be times to get voter approval and times you would not have to get voter approval.

SEN. JACK WELLS questioned **SEN. TESTER** in reference to **Linda Brannon's** statement that voters would not pass increased mill levies. **SEN. TESTER** stated that he did not have the statistics on the failure of levies and guessed that the percentage would be low. He added that this issue would be put in the hands of the school boards, elected by the people, to make the best decision they can with the information they have.

{Tape : 3; Side : A; Approx. Time Counter : 15 - 30}

Closing by Sponsor:

SEN. TESTER closed on SB 117. He added that he does support the amendments and pointed out that this is a local control issue offering more flexibility to local school boards.

{Tape : 3; Side : A; Approx. Time Counter : 30 - 32}

HEARING ON SB 188

Sponsor: **SEN. JOHN COBB, SD 25, Augusta**

Proponents: **Bob Vogel, Montana School Boards Association**
Dave Puyear, Montana Rural Education Association
Steve Johnson, District Clerk of the Bozeman Schools
Eric Feaver, Montana Education Association/Montana Federation of Teachers
Loran Frazier, School Administrators of Montana

Opponents: **None**

Opening Statement by Sponsor:

SEN. JOHN COBB opened on SB 188. He stated that this bill would authorize a school district to transfer the district's general fund end-of-the-year fund balance into the district's miscellaneous programs fund. It would also authorize the use of

those funds to increase spending for instructional supplies, equipment, curriculum materials, technology acquisition and training, professional development, stipends for teachers with national board certification or the district's gifted and talented program.

{Tape : 3; Side : A; Approx. Time Counter : 31 - 32}

Proponents' Testimony:

Bob Vogel, Montana School Board's Association, stood in support of SB 25. He encouraged the committee to consider the fiscal note because he does not think it is an extraordinary amount of money. He suggested an amendment, Page 2, Line 2, to insert one more to the list of expenditures. He would ask the committee to add "bonuses paid to certified staff, pursuant to collective bargaining, or with respect to employees not covered by a collective bargaining agreement subject to district policy."

Dave Puyear, Montana Rural Education Association, strongly supported the measure. He deemed this measure to be an honest measure that would do the right thing.

Steve Johnson, District Clerk of the Bozeman School District, echoed support for SB 25. **Mr. Johnson** argued that the current system encourages districts to spend their entire budget because with re-appropriation of money, half of the money goes to the state and the other half to the taxpayers. Current law does not encourage school boards to leave money in the budget. SB 25 allows flexibility for long term future expenditures.

Eric Feaver, Montana Education Association/Montana Federation of Teachers stood in strong support of SB 25, believing that this is a smart way for school districts to do business.

Loran Frazier, School Administrators of Montana, endorsed **Mr. Johnson's** testimony and strongly supported SB 25.

{Tape : 3; Side : B; Approx. Time Counter : 0 - 5}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

SEN. RYAN wondered if the policy of reappropriating money was in place before the caps were placed on school districts. **Steve**

Johnson stated that reappropriating came with the present policy of funding.

SEN. WELLS asked for clarification on the reduction in expenses due to drop in enrollment and if the figures could be offset.

SEN. COBB stated that he would have to do some more research in regards to that matter.

Closing by Sponsor:

SEN. COBB closed on SB 25.

{Tape : 3; Side : B; Approx. Time Counter : 5 - 8}

EXECUTIVE ACTION ON SB 130

Motion: **SEN. WELLS** moved **TO AMEND SB 130**, (SB013001.aem)
EXHIBIT (eds19a13) .

Discussion:

Eddy McClure explained the amendment to the committee. She stated that the amendment addresses the question raised by **SEN. ELLIS** concerning the possibility of a reversionary clause.

SEN. RYAN questioned the possibility that the school may not want the property back. It was explained that the clause states that it allows for the return but does not mandate the returned. **SEN. ELLINGSON** stated that the clause gives a right to the school district and not a burden. If it is a property that would impose liability upon the owner it would probably have some value and the school district could sell it for some other purposes.

Ms. McClure further clarified the amendment stating that the people of Stevensville requested the language and stated that it would give them flexibility.

Vote: The motion to adopt the amendment passed unanimously.

Motion/Vote: **SEN. COBB** moved that **SB 130 DO PASS AS AMENDED**.
Motion carried unanimously.

{Tape : 3; Side : B; Approx. Time Counter : 8 - 15}

ADJOURNMENT

Adjournment: 5:45 P.M.

SEN. BILL GLASER, Chairman

LINDA ASHWORTH, Secretary

BG/LA

EXHIBIT (eds19aad)